

Consolidated cash flow statement for the year ended 31 July 2010

	<i>Note</i>	Year ended 31 July 2010	Year ended 31 July 2009
		£m	£m
Net cash inflow from operating activities	26	55	14
Returns on investments and servicing of finance	27	18	35
Capital expenditure and financial investment	27	(66)	(69)
Cash inflow / (outflow) before use of liquid resources and financing		<u>7</u>	<u>(20)</u>
Management of liquid resources:			
Increase in short-term deposits	28	9	(6)
Financing	27	(2)	–
Increase / (decrease) in cash in the year		<u>14</u>	<u>(26)</u>

Reconciliation of net cash flow to movement in net funds

Increase / (decrease) in cash		14	(26)
Cash outflow from liquid resources		(9)	6
Movement in net funds in the year		<u>5</u>	<u>(20)</u>
Net funds at 1 August		41	61
Net funds at 31 July	28	<u>46</u>	<u>41</u>